

Decision 04-09-014 September 2, 2004

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Require
California Natural Gas and Electric Utilities to
Preserve Interstate Pipeline Capacity to
California.

Rulemaking 02-06-041
(Filed June 27, 2002)

ORDER MODIFYING DECISION 04-01-047

I. Summary

In Decision (D.) 04-01-047 we established cost allocation methodologies for Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), Southwest Gas Corporation (Southwest Gas), and San Diego Gas & Electric Company (SDG&E) for the cost of the turned back capacity on El Paso Natural Gas Company's (El Paso) interstate pipeline that the utilities were ordered to procure in D.02-07-037. Specifically, we approved a SoCalGas proposal to recover the costs associated with SoCalGas' acquisition of the turned back capacity on an equal cents per therm (ECPT) basis from all customers and established a direct assignment and crediting program for the capacity. This decision clarifies Ordering Paragraph 5 of D.04-01-047 by specifying that the direct assignment and crediting program extend to retail noncore customers as well to wholesale customers.

II. Discussion

California Generation Coalition (SCGC) filed a Petition for Modification of D.04-01-047, pursuant to Rule 47 of the Rules of Practice and Procedure. SCGC

requests that the Commission modify Ordering Paragraph 5 of the Decision to conform with the body of the Decision on the direct assignment and crediting program for SoCalGas. Specifically, SCGC contends that in the body of the Decision we make it clear that we adopted SoCalGas' proposal to make direct assignments of turned-back capacity on a one-time basis to noncore customers, including wholesale customers, and allowing the customers to receive a credit against their ECPT allocation of costs. In pertinent part the Decision reads "Customers taking the assignments would receive a credit against their respective ECPT allocation for every dollar of assigned capacity . . ."¹

We did intend that the direct assignment and crediting program be available to all customers, including retail noncore customers as well as wholesale customers. However, Ordering Paragraph 5 states:

SoCalGas shall grant a credit to wholesale customers that take a direct assignment of SoCalGas' excess El Paso capacity, paying proportional shares of receipt and delivery points for the full term at the full as-billed rate, for customers' ECPT allocation to SoCalGas, as long as the capacity stays in California.

SCGC requests that we modify Ordering Paragraph 5 to reflect that the direct assignment and crediting program extend to retail noncore customers as well as to wholesale customers.

SoCalGas and SDG&E responded to the SCGC Petition and joined in the SCGC request that Ordering Paragraph 5 be modified to specifically state that the direct assignment and crediting program extend to retail noncore customers as well as wholesale customers.

¹ D.04-01-047 at p. 16.

We considered SCGC's Petition, and SoCalGas/SDG&E's response in support thereof and find that the arguments have merit. Accordingly, we modify Ordering Paragraph 5 of D.04-01-047 to reflect the fact that the program extends to noncore customers.

III. Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

IV. Assignment of Proceeding

Loretta M. Lynch is the Assigned Commissioner. Carol Brown is the assigned Administrative Law Judge in this proceeding.

O R D E R

Therefore, **IT IS ORDERED** that:

1. Decision 04-01-047 shall be modified as follows:

SoCalGas shall grant a credit to **noncore retail and** wholesale customers that take a direct assignment of SoCalGas' excess El Paso capacity, paying proportional shares of receipt and delivery points for the full term at the full as-billed rate, for the customer's ECPT allocation to SoCalGas, as long as the capacity stays in California.

2. Rulemaking 02-06-041 is closed.

This order is effective today.

Dated September 2, 2004, at San Francisco, California.

MICHAEL R. PEEVEY

President

CARL W. WOOD

LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners